

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

| | |
|---|---|
| "NOTICE OF INTENTION" (NOI): (File No.) | <u>M/015/072</u> |
| (Mineral Mined) | <u>Gypsum</u> |
| "MINE LOCATION": | |
| (Name of Mine) | <u>Hebe Gypsum Mine</u> |
| (Description) | <u>T24S, R7E, Section 13, 14, 23 & 24</u> |
| | <u>Emery County, Utah</u> |
| "DISTURBED AREA": | |
| (Disturbed Acres) | <u>32.92</u> |
| (Legal Description) | <u>(refer to Attachment "A")</u> |
| "OPERATOR": | |
| (Company or Name) | <u>G-P Gypsum Corporation</u> |
| (Address) | <u>P.O. Box 570080</u> |
| | <u>Sigurd, UT 84657</u> |
| (Phone) | <u>(435) 896-5406</u> |

"OPERATOR'S REGISTERED AGENT":

(Name)

Richard B. Hope

(Address)

G-P Gypsum Corporation

P.O. Box 570080

Sigurd, UT 84657

(Phone)

(435) 896-5406

"OPERATOR'S OFFICER(S)":

David R. Fleiner - Vice President

Richard B. Hope - Plant Manager

George G. Lang - Assistant Treasurer

"SURETY":

(Form of Surety - Attachment B)

Performance Bond \$76,703 DOGM & BLM

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Travelers Casualty & Surety Co.

Bond ~~100,000,000~~ BCM

"SURETY AMOUNT":

(Escalated Dollars)

\$76,703

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between G-P Gypsum Corporation the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/015/072 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated August 14, 1996, and the original Reclamation Plan dated August 14, 1996. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

G-P Gypsum Corporation
Operator Name

By Richard B. Hope
Authorized Officer (Typed or Printed)

Plant Manager
Authorized Officer - Position

Richard Hope
Officer's Signature

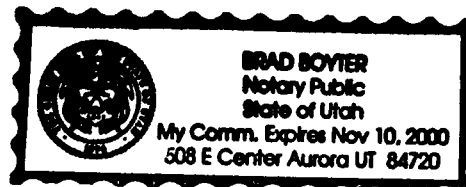
9/18/98
Date

STATE OF Utah)
COUNTY OF Sevier) ss:

On the 18th day of September, 19 98, personally
appeared before me Richard Hope who being by
me duly sworn did say that he/she, the said Richard Hope
is the Plant Manager of G-P. Gypsum Corporation
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Richard Hope duly acknowledged to me that said
company executed the same.

Brad Boyer
Notary Public
Residing at: Aurora, UT

11-10-2000
My Commission Expires:



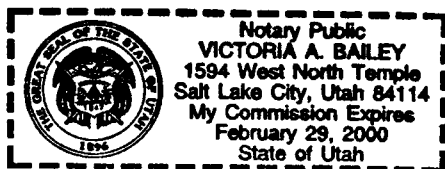
DIVISION OF OIL, GAS AND MINING:

By *Lowell P. Braxton*
for Lowell P. Braxton, Acting Director

Date October 30, 1998

STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

On the 30th day of October, 19 98, personally appeared before me MARY ANN WRIGHT, who being duly sworn did say that ~~he~~/she, the said MARY ANN WRIGHT is the ~~Acting Director~~ Associate Director of Mining of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and ~~he~~/she duly acknowledged to me that ~~he~~/she executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey
Notary Public
Residing at: SALT LAKE CITY, UTAH

February 29, 2000
My Commission Expires:

ATTACHMENT "A"

| | |
|-------------------------|---------------------------|
| <u>G-P Gypsum Corp.</u> | <u>Hebe Gypsum Mine</u> |
| Operator | Mine Name |
| <u>M/015/072</u> | <u>Emery</u> County, Utah |
| Permit Number | |

The legal description of lands to be disturbed is:

32.92 Acres located within: Township 24 South, Range 7 East

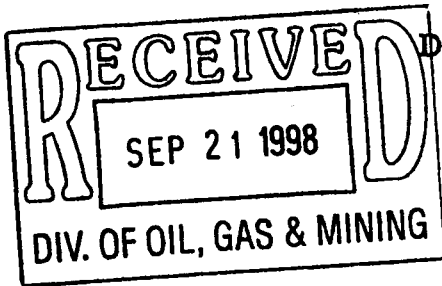
| | | | |
|-------|-------|---------|---------------|
| SW1/4 | SW1/4 | Sec. 13 | - Mine |
| SW1/4 | SW1/4 | Sec. 14 | - Access Road |
| SE1/4 | SE1/4 | Sec. 15 | - Access Road |
| SW1/4 | SE1/4 | Sec. 15 | - Access Road |
| NW1/4 | SE1/4 | Sec. 15 | - Access Road |
| NE1/4 | SW1/4 | Sec. 15 | - Access Road |
| NW1/4 | SW1/4 | Sec. 15 | - Access Road |
| NE1/4 | SE1/4 | Sec. 16 | - Access Road |
| NW1/4 | NW1/4 | Sec. 23 | - Access Road |
| NE1/4 | NW1/4 | Sec. 23 | - Mine |
| NW1/4 | NE1/4 | Sec. 23 | - Mine |
| NE1/4 | NE1/4 | Sec. 23 | - Mine |
| SW1/4 | NE1/4 | Sec. 23 | - Mine |
| NW1/4 | NW1/4 | Sec. 24 | - Mine |

ATTACHMENT B

MR FORM 6
Joint Agency Surety Form

(April 7, 1998)

Bond Number ~~1001A-0201-0007~~ BCM
Permit Number M/015/072
Mine Name San Rafael - Hebe
Quarry



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned G-P Gypsum Corporation as Principal, and Travelers Casualty and Surety Company of America as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the USDI Bureau of Land Management, in the penal sum of Seventy-six thousand seven hundred three ----- dollars (\$ 76,703.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the _____ day of _____, 19____, that 32.92 acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

G-P Gypsum Corporation

Principal (Permittee)

George G. Lang

By (Name typed):

Assistant Treasurer

Title

George G. Lang *GW*
Signature

September 16, 1998

Date

Surety Company

Travelers Casualty and Surety Company
of America

Company Officer

Virginia B. McManus

Attorney-in-fact

Title/Position

Virginia B. McManus
Signature

September 16, 1998

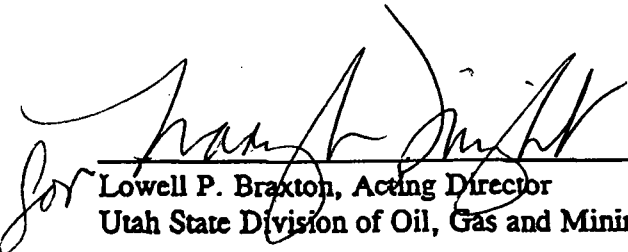
Date

Countersigned by:

Norman W. Squires
Licensed Resident Agent of Utah

Bond Number ~~177540309143121081~~
Permit Number M/0157072
Mine Name San Rafael - Hebe Quarry

SO AGREED this 30th day of October, 19 98.


for Lowell P. Braxton, Acting Director
Utah State Division of Oil, Gas and Mining

***NOTE:** Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 16th day of September, 1998, personally appeared before me
Virginia B. McManus who being by me duly sworn did say
that he/she, the said Virginia B. McManus is the Attorney-in-fact of
Travelers Casualty and Surety Company of America and duly acknowledged that said instrument was signed on behalf of
said company by authority of its bylaws or a resolution of its board of directors and said
Virginia B. McManus duly acknowledged to me that said company executed the same, and that
he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is
authorized to execute the same and has complied in all respects with the laws of Utah in reference to
becoming sole surety upon bonds, undertaking and obligations.

Signed: Virginia B. McManus
Surety Officer Virginia B. McManus

Title: Attorney-in-fact

STATE OF Georgia)
) ss:
COUNTY OF Fulton)

Subscribed and sworn to before me this 16th day of September, 1998 .

Sandra J. Mathis
Notary Public

Residing at: Atlanta, Georgia

My Commission Expires:

Notary Public, Fulton County, Georgia.
My Commission Expires July 20, 1999.

_____, 19____ .

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS
Naperville, Illinois 60563-8458**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, a corporation duly organized under the laws of the State of Illinois, and having its principal office in the City of Naperville, County of DuPage, State of Illinois, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Sandra S. Carter, Judy Gay Cera, Judy S. Fleming, Senu Johnson, Virginia B. McManus, Sandra J. Mathis, Edward J. Mitchell or Barbara Thompson * *

of Atlanta, GA, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, which Resolution is now in full force and effect:

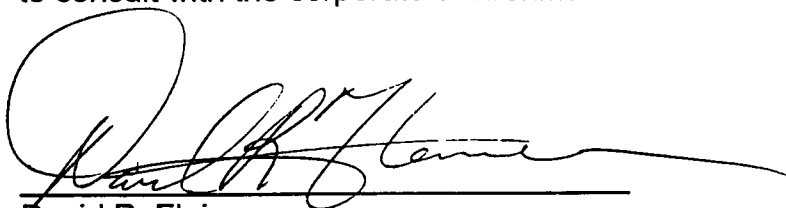
VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

SIGNATORY AUTHORIZATION

Pursuant to the requirements of the United States Environmental Protection Agency (USEPA) or the appropriate States, or local regulatory agencies, the Plant Managers of the following Georgia-Pacific plants are hereby authorized to sign all permit applications and compliance reports, and other environmental documents required or requested by the regulatory agencies. For signatory authorizations requiring over 25 employees or \$25 million in sales, the Joint Compound Production Manager will be authorized to sign for the following locations:

Orlando, Florida
Ft. Lauderdale, Florida
Marietta, Georgia
Milford, Virginia

To be signed by a "responsible official" or "duly authorized representative". As responsible official or duly authorized representative, the Plant Manager is expected to consult with the corporate environmental staff in exercising this authorization.



David R. Fleiner
Vice President - G-P Gypsum Corporation

3-1-98
Date

G-P GYPSUM CORPORATION

| G-P GYPSUM PLANT | PLANT LOCATION |
|------------------------------------|--------------------------|
| Acme Gypsum | Quanah, Texas |
| Antioch Gypsum | Antioch, California |
| Blue Rapids Gypsum | Blue Rapids, Kansas |
| Brunswick Gypsum | Brunswick, Georgia |
| Camden Gypsum | Camden, New Jersey |
| Canby Door Core, Specialty | Canby, Oregon |
| Cuba Door Core, Specialty | Cuba, Missouri |
| Decatur Research & Development Lab | Decatur, Georgia |
| Delair Gypsum Paper | Delair, New Jersey |
| Fort Dodge Gypsum | Fort Dodge, Iowa |
| Fort Lauderdale Joint System | Fort Lauderdale, Florida |
| Grand Rapids Gypsum | Grand Rapids, Michigan |
| Las Vegas Gypsum | Las Vegas, Nevada |
| Long Beach Gypsum | Long Beach, California |
| Lovell Gypsum | Lovell, Wyoming |
| Marietta Joint System | Marietta, Georgia |
| Milford Joint System | Milford, Virginia |
| Newington Gypsum | Newington, New Hampshire |
| Orlando Joint System | Orlando, Florida |
| Pryor Gypsum Paper | Pryor, Oklahoma |
| San Leandro Gypsum Paper | San Leandro, California |
| Savannah Gypsum | Savannah, Georgia |
| Sigurd Gypsum | Sigurd, Utah |
| Sweetwater Gypsum | Sweetwater, Texas |
| Tacoma Gypsum | Tacoma, Washington |